



Deborah A. Gist  
Commissioner

State of Rhode Island and Providence Plantations  
**DEPARTMENT OF EDUCATION**  
Shepard Building  
255 Westminster Street  
Providence, Rhode Island 02903-3400

July 9, 2009

Dr. Donna Ottaviano, Superintendent  
North Providence School Department  
240 Mineral Spring Avenue  
North Providence, RI 02911

### **FINAL PROGRAM REVIEW DETERMINATION LETTER**

#### **NORTH PROVIDENCE SCHOOL DISTRICT EXPENSES RELATED TO fy 2009 FEDERAL FISCAL STABILIZATION FUNDS**

Dear Superintendent Ottaviano:

Rhode Island is expected to receive in FY 2009 and FY 2010 approximately \$203 million of federal American Recovery and Reinvestment Act (ARRA) State Fiscal Stabilization Funds (SFSF), Title I, and Individuals with Disabilities Education (IDEA) grants. The ARRA authorizes an LEA to use its Education Stabilization funds for any activity that is authorized under the following Federal education acts:

- The Elementary and Secondary Education Act of 1965 (ESEA);
- The Individuals with Disabilities Education Act (IDEA);
- The Adult Education and Family Literacy Act (AEFLA); or
- The Carl D. Perkins Career and Technical Education Act of 2006 (Perkins Act).

The ARRA also provides that, to the extent consistent with State law, an LEA may use Education Stabilization funds for modernization, renovation, or repair of public school facilities, including modernization, renovation, and repairs that are consistent with a recognized green building rating system.

ARRA funds are subject to additional and more rigorous reporting requirements than normally apply to grant recipients. To prevent fraud and abuse, support the most effective uses of ARRA funds, and accurately measure and track results, ARRA expenditures are carefully scrutinized to assure strict adherence to allowable uses. Recipients must publicly report on how the funds were used.

Through public information sources, the Rhode Island Department of Elementary and Secondary Education (RIDE) became aware that the North Providence School District may have used its ARRA State Fiscal Stabilization Funds for purposes that were not allowable. To follow up on this information, RIDE, in coordination with the United States Department of Education, Office of the Inspector General (OIG) reviewed the district's ARRA grant expenditures for fiscal year 2009.

The review determined that the SFSF funds had been deposited by the City of North Providence in a federal restricted account and had yet to be dispersed. Based on this information, RIDE has made a final determination that North Providence is in compliance with *ARRA* requirements. Consequently, there are no Findings in this matter. RIDE has approved the North Providence School District's Stabilization grant application and issued a SFSF grant award for services provided from April 1, 2009 through June 30, 2009. RIDE will continue to closely monitor SFSF and recommends that you refer to [ARRA@RIDE](mailto:ARRA@RIDE) for more information.

It is important for school districts to invest SFSF funds in accordance with the four assurances to:

- achieve equity in teacher distribution and improve teacher effectiveness;
- improve the collection and use of data;
- improve academic content standards and assessments; and
- support struggling schools.

These investments will allow Rhode Island to successfully compete for the \$4.3 billion dollars of "Race to the Top" discretionary funds,

Please contact the RIDE Chief of Operations, Carolyn Dias, at [carolyn.dias@ride.ri.gov](mailto:carolyn.dias@ride.ri.gov) or 222-4645 if you have any questions.

I enjoyed my recent visit to North Providence, and I look forward to working with you to improve performance for all of our students.

Sincerely,



Deborah A. Gist  
Commissioner

CC: Carolyn Dias, Chief of Operations  
Beverly Najarian, Deputy Assistant to the Governor  
David V. Abbott, Deputy Commissioner & General Counsel  
Antonia Gibbs, Senior Finance Officer  
Members of the North Providence School Committee

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